

## Financial Services

Jeffrey A. Moore, CPA  
DIRECTOR



January 24, 2014

Joint Legislative Committee on Local Government  
North Carolina General Assembly  
Legislative Building  
16 West Jones Street  
Raleigh, North Carolina 27601  
Attention: Committee Chairs and Committee Assistant

Fiscal Research Division  
North Carolina General Assembly  
Legislative Office Building  
Suite 619  
300 North Salisbury Street  
Raleigh, North Carolina 27603-5925

Re: Financing of Capital Improvements by City of High Point, North Carolina

Ladies and Gentlemen:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina, as amended, the City of High Point, North Carolina (the "City") hereby notifies you of its intent to issue general obligation bonds pursuant to The Local Government Bond Act, Article 4 of Chapter 159 of the General Statutes of North Carolina, as amended, in an aggregate principal amount not to exceed of \$6,115,000 for the purpose of providing funds, together with any other available funds, to (a) to acquire, construct, widen and improve streets and sidewalks inside and outside the corporate limits of the City, including, without limitation, bridges, bicycle lanes, curbs and gutters, culverts, drains, grade crossings, traffic controls and any necessary land and rights of way, (b) acquire, construct, improve, expand and equip existing park and recreational facilities inside and outside the corporate limits of the City, including, without limitation, greenways, playgrounds, athletic fields, recreational facilities and any necessary land and rights of way and (c) acquire, construct and equip fire fighting facilities inside and outside the corporate limits of the City, including, without limitation, a fire training tower and any necessary land and rights of way.

The issuance of such bonds would be subject to the authorization set forth in Article V, Section 4(2) of the North Carolina Constitution and Section 159-49 of the General Statutes of North Carolina which permits the issuance of general obligation bonds without a vote of the people to the extent of two-thirds of the amount by which the City's outstanding indebtedness was reduced during the last preceding fiscal year. Such bonds would be secured by the full faith and credit and taxing power of the City, without limitation as to rate or amount, and the City would expect to pay the debt service on such bonds from general fund revenues of the City.

Accounting  
336.883.3240

Internal Audit  
336.883.3122

Purchasing  
336.883.3219

Treasury Services  
336.883.3230

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City of High Point, P.O. Box 230, 211 South Hamilton Street, High Point, NC 27261 USA  
Fax: 336.883.8572 Phone: 336.883.3237 TDD 336.883.8517

It is expected that the proposed bonds will have a term of approximately 20 years. Such bonds are expected to be sold by the Local Government Commission by competitive sale pursuant to a public offering on or about April 29, 2014, and the interest rate on such bonds will be the lowest interest rate bid for the bonds at the time such bonds are sold.

CITY OF HIGH POINT, NORTH CAROLINA

By:   
Financial Services Director

cc: Local Government Commission

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Raleigh, North Carolina 27603-5925

Re: Financing of Water and Sanitary Sewer System Improvements by City of High Point, North Carolina

Ladies and Gentlemen:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina, as amended, the City of High Point, North Carolina (the "City") hereby notifies you of its intent to issue combined enterprise system revenue bonds (the "Bonds") pursuant to The State and Local Government Revenue Bond Act, Article 5 of Chapter 159 of the General Statute of North Carolina, as amended, to finance the cost of (a) acquiring, constructing and equipping various improvements to the City's water system and sanitary sewer system, including, without limitation, the construction and installation of upgrades to the Westside Wastewater Treatment Plant, the construction and installation of improvements to the incinerator emissions facilities at the Eastside Wastewater Treatment Plant, the construction, relocation and extension of water and sewer mains and lines, the replacement of an elevated water storage tank, the construction and improvement of sewer lift stations and rehabilitation of the Ward Water Treatment Plant (collectively, the "Series 2014 Project"), (b) pay all or a portion of the interest on the Bonds during construction of the Series 2014 Project, (c) fund any necessary debt service reserve fund for the Bonds and (d) pay certain other costs associated with the sale and issuance of the Bonds. At present, the City anticipates that the Bonds will be issued in an amount not to exceed \$43,800,000. The City's obligations with respect to the Bonds will be secured pursuant to a Trust Agreement, dated as of November 1, 2004 (the "Trust Agreement"), between the City and Wachovia Bank, National Association (succeeded by U.S. Bank National Association), as trustee (the "Trustee"). Obligations issued under the Trust Agreement are special obligations of the City, payable from and secured by a pledge of Net Receipts (as defined under the Trust Agreement) of the City's water and sanitary sewer system, and under certain circumstances by investment earnings and certain net insurance and other proceeds.

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It is expected that the proposed Bonds will have a term of approximately 25 years. Such Bonds are expected to be sold by private negotiated sale to a group of underwriters pursuant to a public offering on or about April 23, 2014, at which time the interest rate shall be determined for the Bonds.

CITY OF HIGH POINT, NORTH CAROLINA

By:

  
Financial Services Director

cc: Local Government Commission